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Deposited in DRO:

29 August 2018

Version of attached file:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Denedo, M. (2019) 'Social movement NGOs and the comprehensiveness of conflict mineral disclosures : evidence from global companies.', *Social and environmental accountability journal.*, 39 (1). pp. 72-73.

Further information on publisher's website:

<https://doi.org/10.1080/0969160X.2018.1515153>

Publisher's copyright statement:

This is an Accepted Manuscript of an article published by Taylor Francis in *Social and environmental accountability journal* on 30 Aug 2018, available online: <http://www.tandfonline.com/10.1080/0969160X.2018.1515153>.

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Article Review

Islam, M. A. and van Staden, C. J. (2018) Social movement NGOs and the comprehensiveness of conflict mineral disclosures: evidence from global companies. *Accounting Organizations and Society*, 65, 1-19.

Islam and van Staden (2018) commenced their argument by drawing our attention to the enormous stakeholders' concern on human rights violations across industries and countries, including the conflict zones of Africa. The concerns for transparency among the social movement NGOs and activists led to an enactment of the transparency Act – Dodd-Frank Act – in the US to regulate disclosures practices of corporations involved in the mineral supply chains. Whilst the Dodd-Frank transparency initiative was welcomed by the stakeholders in the US, Islam and van Staden (2018) explored the relationship between NGOs and activists' engagement on the comprehensiveness of the conflict mineral disclosure practices of the electronic reliant corporations. This study revealed that NGOs have been campaigning for the eradication of conflict minerals in electronic devices produced by electronic-based industries which are difficult for regulatory bodies to identify and control. This paper contributes to a corpus of ongoing conversations on the implications of NGOs activism and collaborative engagement on corporate disclosures and in sourcing for conflict-free practices.

The authors adopted social movement and collaboration theories to provide explanations on how NGOs and activists engagement have compelled comprehensive and transparent disclosures on human and social issues on corporations where the Dodd-Frank Act requires “minimum mandatory disclosures in relation to conflict minerals” (p.2). However, the authors argued that whilst previous studies have adopted a qualitative approach through legitimacy and stakeholder theories to provide descriptive evidence that are mostly non-generalisable, they deliberately adopted a quantitative approach. The authors explored the influence of social movement activism on human rights transparency and disclosures practices of corporations listed in the USA using a disclosure index derived from the requirements of the Dodd-Frank Act and the OECD guidelines for conflict mineral supply chains on the first conflict mineral reports filed with the SEC. The authors interestingly posited that “improved transparency regarding conflict minerals can play an important role in reducing human rights violations in supply chains.”

Islam and van Staden (2018) posited that corporations are responding to NGOs concerns over human rights by changing their accountability and operating practices, and by partnering with the NGOs. The authors interestingly argued that collaboration and corporate responsiveness to “maintain and enhance legitimacy” in their social transparency processes in conflictual environments emerged as a response to stakeholder pressure or “extra-institutional forces” through protest or boycott (p.6). This study revealed that “collaborations can help companies and NGOs make sense of each other and channel institutional knowledge from the NGOs to the companies” to resolve problems and initiate changes in corporate practices (p.6). This study also revealed that collaboration could be arm's length, interactive, intensive

alliances and transformational. However, the authors explored whether intensive NGOs collaboration with corporations resulted in comprehensive and more transparent conflict mineral disclosures.

Islam and van Staden (2018) postulated that NGOs collaboration with corporations has higher impacts on their conflict mineral disclosure practices than activist protest against the activities of the corporations. Corporations may gain legitimacy by focusing their attention on addressing stakeholders' human rights concerns by collaborating with NGOs to address them rather than creating an antagonistic space for the NGOs to publicly express their grievances on human rights violations. The authors observed that despite the requirements of the Act on minimum disclosure, the variation and comprehensiveness of the disclosures in the reports were linked to the actions of the NGOs. They observed that the engagement of the NGOs created a transparent environment that compelled the corporations and the regulators to address stakeholders' human rights and social responsibility concerns.

Despite the interesting and important contribution of this study to the literature and the calls for future research by Islam and van Staden (2018, p.16), future research could extend this study by conducting a longitudinal analysis of the disclosure practices of the electronic reliant corporations or by analysing the robustness of the conflict mineral disclosures practices of corporations in other industries. As a limitation of this study, the authors have not explored the perception of the NGOs, the corporations and the regulators on the factors driving the variation and comprehensiveness of the conflict mineral reports. Future research could extend the contribution of this study by exploring if the collaboration of the NGOs with corporations and the regulators influenced the transparency, disclosure practices and their corporate social responsibility across their supply chains or if it was simply a greenwashing practice to maintain legitimacy.

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